



3015 (02-09-04)

ANNUAL REPORT

OF

Name: CITY OF HILLSBORO MUNICIPAL WATER UTILITY

Principal Office: P.O. BOX 447
HILLSBORO, WI 54634

For the Year Ended: DECEMBER 31, 2003

WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

TABLE OF CONTENTS

Schedule Name	Page
General Rules for Reporting	i
Signature Page	ii
Table of Contents	iii
Identification and Ownership	iv
 FINANCIAL SECTION	
Income Statement	F-01
Income Statement Account Details	F-02
Income from Merchandising, Jobbing & Contract Work (Accts. 415-416)	F-03
Revenues Subject to Wisconsin Remainder Assessment	F-04
Balance Sheet	F-05
Net Utility Plant	F-06
Accumulated Provision for Depreciation and Amortization of Utility Plant (Acct. 110.1)	F-07
Accumulated Provision for Depreciation and Amortization of Utility Plant (Acct. 110.2)	F-08
Net Nonutility Property (Accts. 121 & 122)	F-09
Accumulated Provision for Uncollectible Accounts-Cr. (Acct. 144)	F-10
Materials and Supplies	F-11
Unamortized Debt Discount & Expense & Premium on Debt (Accts. 181 and 251)	F-12
Capital Paid in by Municipality (Acct. 200)	F-13
Bonds (Acct. 221)	F-14
Notes Payable & Miscellaneous Long-Term Debt	F-15
Taxes Accrued (Acct. 236)	F-16
Interest Accrued (Acct. 237)	F-17
Balance Sheet End-of-Year Account Balances	F-18
Return on Rate Base Computation	F-19
Important Changes During the Year	F-20
Financial Section Footnotes	F-21
Contributions in Aid of Construction (Account 271)	F-22
 WATER OPERATING SECTION	
Water Operating Revenues & Expenses	W-01
Water Operating Revenues - Sales of Water	W-02
Sales for Resale (Acct. 466)	W-03
Other Operating Revenues (Water)	W-04
Water Operation & Maintenance Expenses	W-05
Taxes (Acct. 408 - Water)	W-06
Property Tax Equivalent (Water)	W-07
Water Utility Plant in Service --Plant Financed by Utility or Municipality--	W-08
Water Utility Plant in Service --Plant Financed by Contributions--	W-10
Source of Supply, Pumping and Purchased Water Statistics	W-12
Sources of Water Supply - Ground Waters	W-13
Sources of Water Supply - Surface Waters	W-14
Pumping & Power Equipment	W-15
Reservoirs, Standpipes & Water Treatment	W-16
Water Mains	W-17
Water Services	W-18
Meters	W-19
Hydrants and Distribution System Valves	W-20
Water Operating Section Footnotes	W-21

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: CITY OF HILLSBORO MUNICIPAL WATER UTILITY

Utility Address: P.O. BOX 447
HILLSBORO, WI 54634

When was utility organized? 1/1/1997

Report any change in name:

Effective Date:

Utility Web Site:

Utility employee in charge of correspondence concerning this report:

Name: SHEILA SCHRAUFNEGEL

Title: CITY CLERK

Office Address:

P.O. BOX 447
HILLSBORO, WI 54634

Telephone: (608) 489 - 2521

Fax Number: (608) 489 - 3905

E-mail Address:

Individual or firm, if other than utility employee, preparing this report:

Name: JOHN E VIG

Title: MANAGING MEMBER

Office Address: VIG & ASSOCIATES, LLC
117 WEST COURT STREET
P.O. BOX 271
VIROQUA, WI 54665

Telephone: (605) 637 - 2082

Fax Number: (608) 637 - 3021

E-mail Address: jackv@frontiernet.net

President, chairman, or head of utility commission/board or committee:

Name: GREGORY KUBARSKI

Title: MAYOR

Office Address:

P.O. BOX 447
HILLSBORO, WI 54634

Telephone: (605) 489 - 2521

Fax Number: (608) 489 - 3908

E-mail Address:

Are records of utility audited by individuals or firms, other than utility employee? YES

IDENTIFICATION AND OWNERSHIP

Individual or firm, if other than utility employee, auditing utility records:

Name: JOHN E VIG**Title:** MANAGING MEMBER**Office Address:** VIG & ASSOCIATES

117 WEST COURT STREET

P.O. BOX 271

VIROQUA, WI 54665

Telephone: (608) 637 - 2082**Fax Number:** (608) 637 - 3021**E-mail Address:** jackv@frontiernet.net**Date of most recent audit report:** 2/9/2004**Period covered by most recent audit:** DECEMBER 31, 2003

Names and titles of utility management including manager or superintendent:

Name: MIKE LANGE**Title:** UTILITY SUPERINTENDENT**Office Address:**

P.O. BOX 447

HILLSBORO, WI 54634

Telephone: (608) 489 - 2521**Fax Number:** (608) 489 - 3905**E-mail Address:**

Name of utility commission/committee: COMMON COUNCIL

Names of members of utility commission/committee:

PETE BENISH

BOB COPPERNOLL

DONALD EHLER, REV.

JERI LOU HELGERSON

R. DALE JONES

GREGORY KUBARSKI, MAYOR

DARROW NOVY

MARY JO ONSAGER

STEVEN PETERSON

Is sewer service rendered by the utility? NO**If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.0819 of the Wisconsin Statutes?** NO**Date of Ordinance:** **Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)?** NO

Provide the following information regarding the provider(s) of contract services:

IDENTIFICATION AND OWNERSHIP

Firm Name:

Contact Person:

Title:

Telephone:

Fax Number:

E-mail Address:

Contract/Agreement beginning-ending dates:

Provide a brief description of the nature of Contract Operations being provided:

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	244,837	217,664	1
Operating Expenses:			
Operation and Maintenance Expense (401)	122,678	105,543	2
Depreciation Expense (403)	31,197	33,423	3
Amortization Expense (404)	3,344	3,344	4
Taxes (408)	34,076	32,580	5
Total Operating Expenses	191,295	174,890	
Net Operating Income	53,542	42,774	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	53,542	42,774	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Nonoperating Rental Income (418)	0	0	8
Interest and Dividend Income (419)	5,422	5,733	9
Miscellaneous Nonoperating Income (421)	1,000	0	10
Total Other Income	6,422	5,733	
Total Income	59,964	48,507	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0	0	11
Other Income Deductions (426)	2,356	0	12
Total Miscellaneous Income Deductions	2,356	0	
Income Before Interest Charges	57,608	48,507	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	38,511	40,211	13
Amortization of Debt Discount and Expense (428)	0		14
Amortization of Premium on Debt--Cr. (429)	0	0	15
Interest on Debt to Municipality (430)	0	0	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)	0	0	18
Total Interest Charges	38,511	40,211	
Net Income	19,097	8,296	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	101,868	93,572	19
Balance Transferred from Income (433)	19,097	8,296	20
Miscellaneous Credits to Surplus (434)	199,667	0	21
Miscellaneous Debits to Surplus--Debit (435)	4,539	0	22
Appropriations of Surplus--Debit (436)	0	0	23
Appropriations of Income to Municipal Funds--Debit (439)		0	24
Total Unappropriated Earned Surplus End of Year (216)	316,093	101,868	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)	
UTILITY OPERATING INCOME				
Operating Revenues (400):				
Derived	244,837		244,837	1
Total (Acct. 400):	244,837	0	244,837	
Operation and Maintenance Expense (401):				
Derived	122,678		122,678	2
Total (Acct. 401):	122,678	0	122,678	
Depreciation Expense (403):				
Derived	31,197		31,197	3
Total (Acct. 403):	31,197	0	31,197	
Amortization Expense (404):				
Derived	3,344		3,344	4
Total (Acct. 404):	3,344	0	3,344	
Taxes (408):				
Derived	34,076		34,076	5
Total (Acct. 408):	34,076	0	34,076	
Revenues from Utility Plant Leased to Others (412):				
NONE	0		0	6
Total (Acct. 412):	0	0	0	
Expenses of Utility Plant Leased to Others (413):				
NONE	0		0	7
Total (Acct. 413):	0	0	0	
TOTAL UTILITY OPERATING INCOME:	53,542	0	53,542	
OTHER INCOME				
Income from Merchandising, Jobbing and Contract Work (415-416):				
Derived	0		0	8
Total (Acct. 415-416):	0	0	0	
Nonoperating Rental Income (418):				
NONE	0		0	9
Total (Acct. 418):	0	0	0	
Interest and Dividend Income (419):				
INTEREST AND DIVIDEND INCOME	5,422	0	5,422	10
Total (Acct. 419):	5,422	0	5,422	
Miscellaneous Nonoperating Income (421):				
Contributed Plant - Water		1,000	1,000	11

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
OTHER INCOME			
Miscellaneous Nonoperating Income (421):			
NONE	0	0	0 12
Total (Acct. 421):	0	1,000	1,000
TOTAL OTHER INCOME:	5,422	1,000	6,422

MISCELLANEOUS INCOME DEDUCTIONS

Miscellaneous Amortization (425):			
NONE	0	0	0 13
Total (Acct. 425):	0	0	0
Other Income Deductions (426):			
Depreciation Expense on Contributed Plant - Water		2,356	2,356 14
NONE	0	0	0 15
Total (Acct. 426):	0	2,356	2,356
TOTAL MISCELLANEOUS INCOME DEDUCTIONS:	0	2,356	2,356

INTEREST CHARGES**Interest on Long-Term Debt (427):**

Derived	38,511		38,511 16
Total (Acct. 427):	38,511	0	38,511

Amortization of Debt Discount and Expense (428):

NONE	0		0 17
Total (Acct. 428):	0	0	0

Amortization of Premium on Debt--Cr. (429):

NONE	0		0 18
Total (Acct. 429):	0	0	0

Interest on Debt to Municipality (430):

Derived	0		0 19
Total (Acct. 430):	0	0	0

Other Interest Expense (431):

Derived	0		0 20
Total (Acct. 431):	0	0	0

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Earnings (216.1) (b)	Contributions (216.2) (c)	Total This Year (d)
INTEREST CHARGES			
Interest Charged to Construction--Cr. (432):			
NONE	0		0 21
Total (Acct. 432):	0	0	0
TOTAL INTEREST CHARGES:	38,511	0	38,511
NET INCOME:	20,453	(1,356)	19,097
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216):			
Derived	101,868	0	101,868 22
Total (Acct. 216):	101,868	0	101,868
Balance Transferred from Income (433):			
Derived	20,453	(1,356)	19,097 23
Total (Acct. 433):	20,453	(1,356)	19,097
Miscellaneous Credits to Surplus (434):			
CLOSED JANUARY 1, 2003 PER DOCKET 05-US-105	0	199,667	199,667 24
Total (Acct. 434):	0	199,667	199,667
Miscellaneous Debits to Surplus--Debit (435):			
TRANSFER TO TIF #2 RESERVE	4,539	0	4,539 25
Total (Acct. 435)--Debit:	4,539	0	4,539
Appropriations of Surplus--Debit (436):			
Detail appropriations to (from) account 215			0 26
Total (Acct. 436)--Debit:	0	0	0
UNAPPROPRIATED EARNED SURPLUS (END OF YEAR):	117,782	198,311	316,093

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)					0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):						
NONE					0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	244,837	0	0	0	244,837	1
Less: interdepartmental sales	0		0	0	0	2
Less: interdepartmental rents					0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify: NONE					0	6
Revenues subject to Wisconsin Remainder Assessment	244,837	0	0	0	244,837	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	1,624,470	1,608,575	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	350,051	311,856	2
Net Utility Plant	1,274,419	1,296,719	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	0	0	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	0	0	4
Net Nonutility Property	0	0	
Investment in Municipality (123)	41,717	41,717	5
Other Investments (124)	0	0	6
Special Funds (125)	136,909	137,939	7
Total Other Property and Investments	178,626	179,656	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	83,553	68,949	8
Temporary Cash Investments (132)	14,169	14,009	9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	13,445	10,441	11
Other Accounts Receivable (143)	3,615	2,719	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	3,930	1,660	14
Materials and Supplies (150)	11,285	13,537	15
Prepayments (165)	3,211	2,876	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	133,208	114,191	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	20,833	24,178	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	0	0	20
Total Deferred Debits	20,833	24,178	
Total Assets and Other Debits	1,607,086	1,614,744	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	577,838	561,943	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	316,093	101,868	23
Total Proprietary Capital	893,931	663,811	
LONG-TERM DEBT			
Bonds (221)	547,201	578,401	24
Advances from Municipality (223)	0	0	25
Other long-Term Debt (224)	124,396	129,801	26
Total Long-Term Debt	671,597	708,202	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	0	299	28
Payables to Municipality (233)	0	0	29
Customer Deposits (235)			30
Taxes Accrued (236)	30,754	29,638	31
Interest Accrued (237)	10,804	11,335	32
Other Current and Accrued Liabilities (238)	0	1,792	33
Total Current and Accrued Liabilities	41,558	43,064	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	0	0	36
Total Deferred Credits	0	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	0	199,667	38
Total Liabilities and Other Credits	1,607,086	1,614,744	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
First of Year:					
Total Utility Plant - First of Year	1,608,575	0	0	0	1
<i>(Should agree with Util. Plant Jan. 1 in Property Tax Equivalent Schedule)</i>					
Plant Accounts:					
Utility Plant in Service - Financed by Utility Operations or by the Municipality (100.1)	1,423,803	0	0	0	2
Utility Plant in Service - Contributed Plant (100.2)	200,667	0	0	0	3
Utility Plant Purchased or Sold (391)					4
Utility Plant in Process of Reclassification (392)					5
Utility Plant Leased to Others (393)					6
Property Held for Future Use (394)					7
Construction Work in Progress (395)					8
Utility Plant Acquisition Adjustments (396)					9
Other Utility Plant Adjustments (397)					10
Total Utility Plant	1,624,470	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service - Financed by Utility Operations or by the Municipality (110.1)	308,985	0	0	0	11
Accumulated Provision for Depreciation of Utility Plant in Service - Contributed Plant (110.2)	41,066	0	0	0	12
Total Accumulated Provision	350,051	0	0	0	
Net Utility Plant	1,274,419	0	0	0	

**ACCUMULATED PROVISION FOR DEPRECIATION AND
AMORTIZATION OF UTILITY PLANT ON UTILITY PLANT
FINANCED BY UTILITY OPERATIONS OR BY THE MUNICIPALITY
(ACCT. 110.1)**

Depreciation Accruals (Credits) during the year (110.1):

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year (110.1)	311,856				311,856	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	31,197				31,197	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	4,642				4,642	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	35,839	0	0	0	35,839	13
Debits during year						14
Book cost of plant retired	0				0	15
Cost of removal					0	16
Other debits (specify):						17
Adjustment per Docket 05-US-105	38,710				38,710	18
Total debits	38,710	0	0	0	38,710	19
Balance end of year (110.1)	308,985	0	0	0	308,985	20
Composite Depreciation Rate?	No					21
If yes, what is the rate?						22

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT ON CONTRIBUTED PLANT IN SERVICE (ACCT. 110.2)

Depreciation Accruals (Credits) during the year (110.2):

1. Report the amounts charged to Depreciation Expense (426).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year (110.2)					0	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (426)	2,356				2,356	4
Accruals charged other						5
accounts (specify):						6
					0	7
Salvage					0	8
Other credits (specify):						9
Est. deprec on contrib plnt 1/1/03	38,710				38,710	10
Total credits	41,066	0	0	0	41,066	11
Debits during year						12
Book cost of plant retired	0				0	13
Cost of removal					0	14
Other debits (specify):						15
					0	16
Total debits	0	0	0	0	0	17
Balance end of year (110.2)	41,066	0	0	0	41,066	18
Composite Depreciation Rate?	No					19
If yes, what is the rate?						20

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	0			0	1
Other (specify):					
NONE	0			0	2
Total Nonutility Property (121)	0	0	0	0	
Less accum. prov. depr. & amort. (122)	0			0	3
Net Nonutility Property	0	0	0	0	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Additions:		
Provision for uncollectibles during year		2
Collection of accounts previously written off: Utility Customers		3
Collection of accounts previously written off: Others		4
Total Additions	<u>0</u>	
Deductions:		
Accounts written off during the year: Utility Customers		5
Accounts written off during the year: Others		6
Total accounts written off	<u>0</u>	
Balance end of year	<u><u>0</u></u>	

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)	
Electric Utility							
Fuel for generation					0	0	1
Other					0	0	2
Total Electric Utility					0	0	

Account	Total End of Year	Amount Prior Year	
Electric utility total	0	0	1
Water utility	11,285	13,537	2
Sewer utility		0	3
Gas utility		0	4
Merchandise		0	5
Other materials & supplies		0	6
Total Materials and Supplies	11,285	13,537	

UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT (ACCTS. 181 AND 251)

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				
1987 MRB	1,367	428	16,880	1
1995 MRB	1,977	428	3,953	2
Total			20,833	
Unamortized premium on debt (251)				
NONE				3
Total			0	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Amount (b)	
Balance first of year	561,943	1
Changes during year (explain):		
ENTERPRISE DRIVE PROJECT CONTRIBUTED BY TIF	15,895	2
Balance end of year	577,838	

BONDS (ACCT. 221)

1. Report hereunder information required for each separate issue of bonds.
2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)	
MORTGAGE BONDS	10/01/1995	09/01/2015	5.00%	547,201	1
Total Bonds (Account 221):				547,201	

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Other Long-Term Debt (224)					
GO BONDS	12/01/2000	12/01/2018	4.70%	124,396	1
Total for Account 224				124,396	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	29,638	1
Accruals:		
Charged water department expense	34,077	2
Charged electric department expense		3
Charged sewer department expense	1,750	4
Other (explain):		
NONE		5
Total Accruals and other credits	35,827	
Taxes paid during year:		
County, state and local taxes	29,640	6
Social Security taxes	4,698	7
PSC Remainder Assessment	373	8
Other (explain):		
NONE		9
Total payments and other debits	34,711	
Balance end of year	30,754	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
MRBS	10,776	31,817	32,327	10,266	1
Subtotal	10,776	31,817	32,327	10,266	
Advances from Municipality (223)					
NONE	0			0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
NONE	0			0	3
GO BONDS	559	6,694	6,715	538	4
Subtotal	559	6,694	6,715	538	
Notes Payable (231)					
NONE	0			0	5
Subtotal	0	0	0	0	
Total	11,335	38,511	39,042	10,804	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
INVESTMENT IN MUNICIPALITY	41,717	1
Total (Acct. 123):	41,717	
Other Investments (124):		
NONE		2
Total (Acct. 124):	0	
Special Funds (125):		
DEBT SERVICE RESERVE	72,000	3
BOND DEPRECIATION SAVINGS	13,306	4
BOND RESERVE SAVINGS	34,496	5
BOND DEPRECIATION	17,107	6
Total (Acct. 125):	136,909	
Notes Receivable (141):		
NONE		7
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	13,445	8
Electric		9
Sewer (Regulated)		10
Other (specify):		
NONE		11
Total (Acct. 142):	13,445	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		12
Merchandising, jobbing and contract work		13
Other (specify):		
INTEREST RECEIVABLE	1,604	14
RECEIVABLE FROM CUSTOMERS FOR WORK PERFORMED	2,011	15
Total (Acct. 143):	3,615	
Receivables from Municipality (145):		
RECEIVABLE FROM MUNICIPALITY	3,930	16
Total (Acct. 145):	3,930	
Prepayments (165):		
PREPAID INSURANCE	3,211	17
Total (Acct. 165):	3,211	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)
Extraordinary Property Losses (182):	
NONE	18
Total (Acct. 182):	0
Other Deferred Debits (183):	
NONE	19
Total (Acct. 183):	0
Payables to Municipality (233):	
NONE	20
Total (Acct. 233):	0
Other Deferred Credits (253):	
NONE	21
Total (Acct. 253):	0

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include contributed plant in service, property held for future use, or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service (100.1)	1,416,355	0	0	0	1,416,355	1
Materials and Supplies	12,411	0	0	0	12,411	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation (110.1)	310,420	0	0	0	310,420	4
Customer Advances for Construction					0	5
NONE					0	6
Average Net Rate Base	1,118,346	0	0	0	1,118,346	
Net Operating Income	53,542	0	0	0	53,542	7
Net Operating Income as a percent of						
Average Net Rate Base	4.79%	N/A	N/A	N/A	4.79%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

NONE

2. Leaseholder changes.

NONE

3. Extensions of service.

THERE WAS 390 FEET OF MAIN ADDED TO EXTEND SERVICE TO COMMERCIAL SITE. PROJECT WAS FINANCED BY TIF.

4. Estimated changes in revenues due to rate changes.

FULL YEAR OF RATE IMPLEMENTATION OF 2002 RATE ORDER.

5. Obligations incurred or assumed, excluding commercial paper.

NONE

6. Formal proceedings with the Public Service Commission.

NONE

7. Any additional matters.

NONE

FINANCIAL SECTION FOOTNOTES

Balance Sheet End-of-Year Account Balances (Page F-18)

General footnotes

Acct 145: Balance consists of delinquent utilities placed on tax roll.

Signature Page (Page ii)

General footnotes

(Vig & Associates LLC Letterhead)

To the Members of the Common Council
Of the City of Hillsboro
Hillsboro, Wisconsin 54634

We have compiled the balance sheets of the Hillsboro Municipal Water Utility as of December 31, 2003 and 2002, and the related statements of income and retained earnings for the years then ended, included in the accompanying prescribed form, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form.

Our compilation was limited to presenting, in the form prescribed by the Public Service Commission of Wisconsin, information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements and the supplementary information are presented in accordance with the requirements of the Public Service Commission of Wisconsin, which differ from generally accepted accounting principles. Accordingly, the financial statements and supplementary information are not designed for those who are not informed about such differences.

Vig & Associates LLC
March 30, 2004

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)

Particulars (a)	Water (b)	Electric		Sewer (e)	Gas (f)	Total (g)	
		Distribution (c)	Other (d)				
Balance First of Year	199,667	0	0	0	0	199,667	1
Add credits during year:							
NONE						0	2
Deduct charges (specify):							
Closed January 1, 2003 per Docket 05-US-105	199,667					199,667	3
Balance End of Year	0	0	0	0	0	0	

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)	238,344	204,555	1
Total Sales of Water	238,344	204,555	
Other Operating Revenues			
Forfeited Discounts (470)	803	189	2
Other Water Revenues (474)	5,690	12,920	3
Amortization of Construction Grants (475)		0	4
Total Other Operating Revenues	6,493	13,109	
Total Operating Revenues	244,837	217,664	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)	61,388	56,665	5
General Operating Expenses (680-690)	61,290	48,878	6
Total Operation and Maintenance Expenses	122,678	105,543	
Other Operating Expenses			
Depreciation Expense (403)	31,197	33,423	7
Amortization Expense (404)	3,344	3,344	8
Taxes (408)	34,076	32,580	9
Total Other Operating Expenses	68,617	69,347	
Total Operating Expenses	191,295	174,890	
NET OPERATING INCOME	53,542	42,774	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Account 460, Unmetered Sales to General Customers - Gallons of Water Sold should not include in any way quantity of water, i.e. metered, or measured by tank or pool volume. The quantity should be estimated based on size of pipe, flow, foot of frontage, etc. Bulk water sales should be Account 460 if the quantity is estimated and should be Account 461 if metered or measured by volume. Water related to construction should be a measured sale of water (either Account 461 or Account 464).
5. Other accounts: see application Help files for details.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	550	22,537	85,305	4
Commercial	60	3,176	10,518	5
Industrial	17	27,717	30,061	6
Total Metered Sales to General Customers (461)	627	53,430	125,884	
Private Fire Protection Service (462)				7
Public Fire Protection Service (463)	1		95,611	8
Other Sales to Public Authorities (464)	32	6,000	16,849	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	660	59,430	238,344	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
------------------------------------	--	--	-------------------------------

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1 or Fd-1)	95,611	1
Wholesale fire protection billed		2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		3
Other (specify):		
NONE		4
Total Public Fire Protection Service (463)	95,611	
Forfeited Discounts (470):		
Customer late payment charges	803	5
Other (specify):		
NONE		6
Total Forfeited Discounts (470)	803	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	4,763	7
Other (specify):		
OTHER	927	8
Total Other Water Revenues (474)	5,690	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	This Year (b)	Last Year (c)	
PLANT OPERATION AND MAINTENANCE EXPENSES			
Salaries and Wages (600)	35,467	30,333	1
Purchased Water (610)		0	2
Fuel or Power Purchased for Pumping (620)	8,724	8,680	3
Chemicals (630)	5,418	11,639	4
Supplies and Expenses (640)	6,431	5,443	5
Repairs of Water Plant (650)	4,491	63	6
Transportation Expenses (660)	857	507	7
Total Plant Operation and Maintenance Expenses	61,388	56,665	
GENERAL OPERATING EXPENSES			
Administrative and General Salaries (680)	19,601	18,367	8
Office Supplies and Expenses (681)	3,628	3,431	9
Outside Services Employed (682)	16,653	11,272	10
Insurance Expense (684)	4,246	3,868	11
Employees Pensions and Benefits (686)	14,904	9,467	12
Regulatory Commission Expenses (688)	192	1,200	13
Miscellaneous General Expenses (689)	2,066	1,273	14
Uncollectible Accounts (690)		0	15
Total General Operating Expenses	61,290	48,878	
Total Operation and Maintenance Expenses	122,678	105,543	

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.
--

Description of Tax (a)	Method Used to Allocate Between Departments (b)	This Year (c)	Last Year (d)	
Property Tax Equivalent		30,756	29,638	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		1,750	846	2
Net property tax equivalent		29,006	28,792	
Social Security		4,698	3,552	3
PSC Remainder Assessment		372	236	4
Other (specify): NONE			0	5
Total tax expense		34,076	32,580	

PROPERTY TAX EQUIVALENT (WATER)

1. No property tax equivalent shall be determined for sewer utilities or town sanitary district water utilities.
2. Tax rates are those issued in November (usually) of the year being reported and are available from the municipal treasurer. Report the tax rates in mills to six (6) decimal places.
3. The assessment ratio is available from the municipal treasurer. Report the ratio as a decimal to six (6) places.
4. The utility plant balance first of year should include the gross book values of plant in service (total of utility financed and contributed plant), property held for future use and construction work in progress.
5. An "other tax rate" is included in the "Net Local and School Tax Rate Calculation" to the extent that it is local. An example is a local library tax. Fully explain the rate in the Property Tax Equivalent schedule footnotes.
6. The Property Tax Equivalent to be reported for the year is determined pursuant to Wis. Stat § 66.0811(2). Report the higher of the current year calculation or the tax equivalent reported in the 1994 PSC annual report, unless, the municipality has authorized a lower amount, then that amount is reported as the property tax equivalent.
7. If the municipality has authorized a lower amount, the authorization description and date of the authorization must be reported in the Property Tax Equivalent schedule footnotes.

Particulars (a)	Units (b)	Total (c)	County A (d)	County B (e)	County C (f)	County D (g)	
County name			Vernon				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.207475				3
County tax rate	mills		6.401279				4
Local tax rate	mills		8.569987				5
School tax rate	mills		9.531732				6
Voc. school tax rate	mills		2.444133				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		27.154606				10
Less: state credit	mills		1.156844				11
Net tax rate	mills		25.997762				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		8.569987				14
Combined School Tax Rate	mills		11.975865				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		20.545852				17
Total Tax Rate	mills		27.154606				18
Ratio of Local and School Tax to Total	dec.		0.756625				19
Total tax net of state credit	mills		25.997762				20
Net Local and School Tax Rate	mills		19.670555				21
Utility Plant, Jan. 1	\$	1,608,575	1,608,575				22
Materials & Supplies	\$	13,537	13,537				23
Subtotal	\$	1,622,112	1,622,112				24
Less: Plant Outside Limits	\$	0	0				25
Taxable Assets	\$	1,622,112	1,622,112				26
Assessment Ratio	dec.		0.963900				27
Assessed Value	\$	1,563,554	1,563,554				28
Net Local & School Rate	mills		19.670555				29
Tax Equiv. Computed for Current Year	\$	30,756	30,756				30
Tax Equivalent per 1994 PSC Report	\$	12,274					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$						32
Tax equiv. for current year (see note 6)	\$	30,756					34

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Utility or Municipality--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	437		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	437	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	579		4
Structures and Improvements (311)	0		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	13,771		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	0		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	14,350	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	9,070		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	128,240		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	1,507		20
Total Pumping Plant	138,817	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	0		23
Total Water Treatment Plant	0	0	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Utility or Municipality--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			437	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	437	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			579	4
Structures and Improvements (311)			0	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			0	7
Wells and Springs (314)			13,771	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			0	10
Other Water Source Plant (317)			0	11
Total Source of Supply Plant	0	0	14,350	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			9,070	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			128,240	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			1,507	20
Total Pumping Plant	0	0	138,817	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			0	22
Water Treatment Equipment (332)			0	23
Total Water Treatment Plant	0	0	0	

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Utility or Municipality--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	8,704		24
Structures and Improvements (341)	0		25
Distribution Reservoirs and Standpipes (342)	197,868		26
Transmission and Distribution Mains (343)	777,975	12,995	27
Fire Mains (344)	0		28
Services (345)	154,231		29
Meters (346)	184,565		30
Hydrants (348)	90,756	1,900	31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	1,414,099	14,895	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	3,000		34
Office Furniture and Equipment (372)	1,424		35
Computer Equipment (372.1)	10,835		36
Transportation Equipment (373)	15,077		37
Other General Equipment (379)	10,536		38
Other Tangible Property (390)	0		39
Total General Plant	40,872	0	
Total utility plant in service directly assignable	1,608,575	14,895	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	1,608,575	14,895	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Utility or Municipality--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)			8,704	24
Structures and Improvements (341)			0	25
Distribution Reservoirs and Standpipes (342)			197,868	26
Transmission and Distribution Mains (343)		(152,959)	638,011	27
Fire Mains (344)			0	28
Services (345)		(37,191)	117,040	29
Meters (346)			184,565	30
Hydrants (348)		(9,517)	83,139	31
Other Transmission and Distribution Plant (349)			0	32
Total Transmission and Distribution Plant	0	(199,667)	1,229,327	
GENERAL PLANT				
Land and Land Rights (370)			0	33
Structures and Improvements (371)			3,000	34
Office Furniture and Equipment (372)			1,424	35
Computer Equipment (372.1)			10,835	36
Transportation Equipment (373)			15,077	37
Other General Equipment (379)			10,536	38
Other Tangible Property (390)			0	39
Total General Plant	0	0	40,872	
Total utility plant in service directly assignable	0	(199,667)	1,423,803	
Common Utility Plant Allocated to Water Department				0 40
Total utility plant in service	0	(199,667)	1,423,803	

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Contributions--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)			1
Franchises and Consents (302)			2
Miscellaneous Intangible Plant (303)			3
Total Intangible Plant	<u>0</u>	<u>0</u>	
 SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)			4
Structures and Improvements (311)			5
Collecting and Impounding Reservoirs (312)			6
Lake, River and Other Intakes (313)			7
Wells and Springs (314)			8
Infiltration Galleries and Tunnels (315)			9
Supply Mains (316)			10
Other Water Source Plant (317)			11
Total Source of Supply Plant	<u>0</u>	<u>0</u>	
 PUMPING PLANT			
Land and Land Rights (320)			12
Structures and Improvements (321)			13
Boiler Plant Equipment (322)			14
Other Power Production Equipment (323)			15
Steam Pumping Equipment (324)			16
Electric Pumping Equipment (325)			17
Diesel Pumping Equipment (326)			18
Hydraulic Pumping Equipment (327)			19
Other Pumping Equipment (328)			20
Total Pumping Plant	<u>0</u>	<u>0</u>	
 WATER TREATMENT PLANT			
Land and Land Rights (330)			21
Structures and Improvements (331)			22
Water Treatment Equipment (332)			23
Total Water Treatment Plant	<u>0</u>	<u>0</u>	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Contributions--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
INTANGIBLE PLANT			
Organization (301)			0 1
Franchises and Consents (302)			0 2
Miscellaneous Intangible Plant (303)			0 3
Total Intangible Plant	0	0	0
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)			0 4
Structures and Improvements (311)			0 5
Collecting and Impounding Reservoirs (312)			0 6
Lake, River and Other Intakes (313)			0 7
Wells and Springs (314)			0 8
Infiltration Galleries and Tunnels (315)			0 9
Supply Mains (316)			0 10
Other Water Source Plant (317)			0 11
Total Source of Supply Plant	0	0	0
PUMPING PLANT			
Land and Land Rights (320)			0 12
Structures and Improvements (321)			0 13
Boiler Plant Equipment (322)			0 14
Other Power Production Equipment (323)			0 15
Steam Pumping Equipment (324)			0 16
Electric Pumping Equipment (325)			0 17
Diesel Pumping Equipment (326)			0 18
Hydraulic Pumping Equipment (327)			0 19
Other Pumping Equipment (328)			0 20
Total Pumping Plant	0	0	0
WATER TREATMENT PLANT			
Land and Land Rights (330)			0 21
Structures and Improvements (331)			0 22
Water Treatment Equipment (332)			0 23
Total Water Treatment Plant	0	0	0

WATER UTILITY PLANT IN SERVICE

--Plant Financed by Contributions--

1. All adjustments, corrections and reclassifications (including to/from plant financed by contributions) should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000. If applicable, provide construction authorization.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			24
Structures and Improvements (341)			25
Distribution Reservoirs and Standpipes (342)			26
Transmission and Distribution Mains (343)		1,000	27
Fire Mains (344)			28
Services (345)			29
Meters (346)			30
Hydrants (348)			31
Other Transmission and Distribution Plant (349)			32
Total Transmission and Distribution Plant	0	1,000	
GENERAL PLANT			
Land and Land Rights (370)			33
Structures and Improvements (371)			34
Office Furniture and Equipment (372)			35
Computer Equipment (372.1)			36
Transportation Equipment (373)			37
Other General Equipment (379)			38
Other Tangible Property (390)			39
Total General Plant	0	0	
Total utility plant in service directly assignable	0	1,000	
Common Utility Plant Allocated to Water Department			40
Total utility plant in service	0	1,000	

WATER UTILITY PLANT IN SERVICE (cont.)
--Plant Financed by Contributions--

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)			0 24
Structures and Improvements (341)			0 25
Distribution Reservoirs and Standpipes (342)			0 26
Transmission and Distribution Mains (343)		152,959	153,959 27
Fire Mains (344)			0 28
Services (345)		37,191	37,191 29
Meters (346)			0 30
Hydrants (348)		9,517	9,517 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	199,667	200,667
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			0 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)			0 37
Other General Equipment (379)			0 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	0
Total utility plant in service directly assignable	0	199,667	200,667
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	199,667	200,667

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Expanded definitions of the three types of accounted-for water reported on this schedule are included in the schedule Help and in the Reference Manual Schedule Reference Sheet.

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January			7,998	7,998	1
February			6,269	6,269	2
March			6,734	6,734	3
April			6,603	6,603	4
May			7,677	7,677	5
June			7,457	7,457	6
July			4,535	4,535	7
August			4,962	4,962	8
September			3,868	3,868	9
October			3,924	3,924	10
November			3,801	3,801	11
December			3,925	3,925	12
Total annual pumpage	0	0	67,753	67,753	
Less: Water sold				59,430	13
Volume pumped but not sold				8,323	14
Volume sold as a percent of volume pumped				88%	15
Volume used for water production, water quality and system maintenance				400	16
Volume related to equipment/system malfunction					17
Non-utility volume NOT included in water sales					18
Total volume not sold but accounted for				400	19
Volume pumped but unaccounted for				7,923	20
Percent of water lost				12%	21
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					22
Maximum gallons pumped by all methods in any one day during reporting year (000 gal.)				690	23
Date of maximum: 1/28/2003					24
Cause of maximum:					25
Flushing of mains and hydrants.					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				0	26
Date of minimum: 12/8/2003					27
Total KWH used for pumping for the year				115,335	28
If water is purchased: Vendor Name:					29
Point of Delivery:					30

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)	
HIGHWAY 33	1	275	12	480,000	Yes	1
MECHANIC STREET	2	327	12	504,000	Yes	2

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Intakes			
	Identification Number (b)	Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)
NONE				

1

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification	1	2	1
Location	HIGHWAY 33	MECHANIC STREET	2
Purpose	P	P	3
Destination	R D	R D	4
Pump Manufacturer	LAYNE NW	WORTHINGTON	5
Year Installed	1993	1988	6
Type	VERTICAL TURBINE	CENTRIFUGAL	7
Actual Capacity (gpm)	420	420	8
Pump Motor or Standby Engine Mfr	US ELECTRICAL	US ELECTRICAL	9 10
Year Installed	1982	1993	11
Type	ELECTRIC	ELECTRIC	12
Horsepower	30	30	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)
Identification			14
Location			15
Purpose			16
Destination			17
Pump Manufacturer			18
Year Installed			19
Type			20
Actual Capacity (gpm)			21
Pump Motor or Standby Engine Mfr			22 23
Year Installed			24
Type			25
Horsepower			26

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification number or name	2		1
RESERVOIRS, STANDPIPES			2
OR ELEVATED TANKS			3
Type: R (reservoir), S (standpipe) or ET (elevated tank)	R		4
Year constructed	1982		5
Primary material (earthen, steel, concrete, other)	OTHER		6
Elevation difference in feet (See Headnote 3.)	155		7
Total capacity in gallons (actual)	500,000		8
WATER TREATMENT PLANT			9
Disinfection, type of equipment (gas, liquid, powder, other)	OTHER		10
Points of application (wellhouse, central facilities, booster station, other)	OTHER		11
Filters, type (gravity, pressure, other, none)	NONE		12
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	1.0000		13
Is a corrosion control chemical used (yes, no)?	Y		14
Is water fluoridated (yes, no)?	N		15

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

Number of Feet								
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)	
M	D	1.000	1,480	0	0	0	1,480	1
M	D	1.500	3,404	0	0	0	3,404	2
M	D	2.000	1,987	0	0	0	1,987	3
M	D	4.000	130	70	0	0	200	4
M	D	6.000	31,424	0	0	0	31,424	5
M	D	8.000	14,185	0	0	0	14,185	6
M	D	10.000	350	390	0	0	740	7
M	D	12.000	6,930	0	0	0	6,930	8
Total Within Municipality			59,890	460	0	0	60,350	
M	D	10.000	1,295	0	0	0	1,295	9
Total Outside of Municipality			1,295	0	0	0	1,295	
Total Utility			61,185	460	0	0	61,645	

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.625	28	0	0	0	28		1
M	0.750	525	0	0	0	525	8	2
M	1.000	96	0	0	0	96	17	3
M	1.250	9	0	0	0	9		4
M	1.500	2	0	0	0	2		5
M	2.000	5	0	0	0	5		6
M	4.000	7	0	0	1	8		7
Total Utility		672	0	0	1	673	25	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (o).
5. Explain all reported adjustments as a schedule footnote.

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	687	0	0	(3)	684	34	1
1.000	5	0	0	2	7	0	2
1.500	13	0	0	(2)	11	0	3
2.000	19	0	0	(2)	17	0	4
4.000	9	0	0	0	9	0	5
Total:	733	0	0	(5)	728	34	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	544	52	8	7	5	68	684	1
1.000	1	2	1	1	0	2	7	2
1.500	0	3	1	3	2	2	11	3
2.000	0	3	5	6	2	1	17	4
4.000	0	0	1	6	0	2	9	5
Total:	545	60	16	23	9	75	728	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality	2				2	1
Within Municipality	105	1		4	110	2
Total Fire Hydrants	107	1	0	4	112	
Flushing Hydrants						
	0				0	3
Total Flushing Hydrants	0	0	0	0	0	

NR811.08(5) recommends that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Please provide the number operated during the year.

Number of hydrants operated during year:	110
Number of distribution system valves end of year:	144
Number of distribution valves operated during year:	75

WATER OPERATING SECTION FOOTNOTES

Water Operation & Maintenance Expenses (Page W-05)

For values that represent an increase or a decrease when compared to the previous year of greater than 30%, but not less \$2,000, please explain.

Chemical expense (630) - The decrease was due to the municipality expending less on chemicals.

Repairs and maintenance (650) - The increase was from repairs on hydrants.

Outside Services (682) - This increase was from contracting outside services to perform extensive repairs on the well motor & pump.

Employees Pensions and Benefits (686) - The increase was from the municipality charging water for their portion of retirement expenses. Previously it has been all recorded on General.

Water Utility Plant in Service --Plant Financed by Utility or Municipality-- (Page W-08)

If Adjustments for any account are nonzero, please explain.

Adjustments to accounts 345,348, & 343 were made to comply with Docket 05-US-105.

Water Utility Plant in Service --Plant Financed by Contributions-- (Page W-10)

If Adjustments for any account are nonzero, please explain.

Adjustments to accounts 345,348, & 343 were made to comply with Docket 05-US-105.

Water Mains (Page W-17)

If Added During Year column total is greater than zero, please explain financing following the criteria listed in the schedule headnote No. 5.

The additions to water mains were financed by the municipality.

Water Services (Page W-18)

Explain all reported Adjustments.

Adjustment to services was required to reflect actual plant records.

Meters (Page W-19)

Explain all reported adjustments.

Adjustment to meters was required to coincide with the plant records.

Hydrants and Distribution System Valves (Page W-20)

Explain all reported Adjustments.

Client took the physical inventory and discovered 4 hydrants should have been last year.
